

Message Text

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43

ACTION NEA-13

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FM USINT BAGHDAD

TO SECSTATE WASHDC IMMEDIATE 737

AMEMBASSY BEIRUT

USMISSION EC BRUSSELS

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY PARIS

USMISUION OECD PARIS

AMEMBASSY TEHRAN

AMEMBASSY BONN

UNCLAS BAGHDAD 39

E.O. 11652: N/A

TAGS: ENRG, PFOR, IZ, US

SUBJECT: PRESIDENT BAKR'U REPLY TO PRESIDENT'S LETTER ON
ENERGY MEETING

REF: STATE 5314; 5361; BAGHDAD 09

1. FOLLOWING IS UNOFFICIAL ENGLISH TEXT (MFA TRANSLATION) OF
REPLY OF PRESIDENT AHMAD HASSAN AL-BAKR TO PRESIDENT NIXON'S
LETTER OF JANUARY 9. IT WAS GIVEN TO ME ON JAN 23 BY MFA
UNDERSECRETARY TAQA. TEXT TO BE RELEASED LATE JAN 23.

2. BEGIN TEXT: EXCELLENCY, I AM IN RECEIPT OF YOUR LETTER
IN WHICH YOU PROPOSE THE CONVOCAION OF A MEETING BETWEEN
THE MAJOR ENERGY CONSUMING STATES AND THE PRODUCING COUNTRIES
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IN ORDER TO REGULATE THE MATTERS PERTAINING TO ENERGY IMPORT-

ATION AND PRICES. WHILE FULLY APPRECIATING THE PARAMOUNT IMPORTANCE OF THIS QUESTION I SHOULD LIKE TO PUT FORWARD THE VIEWPOINT OF THE IRAQI GOVERNMENT THROUGH MAKING THE FOLLOWING POINTS. 1. WE HAVE COME TO THE REALIZATION THAT THERE IS A TREND TOWARD LIMITING THE PARTICIPATION OF THE ENERGY CONSUMING STATES TO A SPECIFIC NUMBER OF LARGE AND DEVELOPED INDUSTRIAL STATES, WHEREAS IN POINT OF FACT ALL THE COUNTRIES OF THE WORLD CONSUME ENERGY TO SOME EXTENT OR ANOTHER. IF THE QUESTION OF ENERGY GAINS PROMINENCE AS A DRAMATIC ONE IN A NUMBER OF MAJOR INDUSTRIAL STATES IN VIEW OF THE GIGANTIC INDUSTRIAL AND MILITARY MACHINE POSSESSED BY THOSE STATES AND THE HIGH STANDARD OF LIVING THEY ENJOY AND CONSIDERING ALSO THE EXTENSIVE MASS MEDIA AND POLITICAL MEANS AT THEIR DISPOSAL, THE OTHER ENERGY CONSUMING STATES, PARTICULARLY POOR ONES, SUFFER A GREAT DEAL FROM THIS QUESTION AND TO AN EXTENT AFFECTING GRAVELY THE MINIMUM OF THEIR LIVELIHOOD AND THEIR URGENT NEED FOR DEVELOPMENT AND THEY CAN AT THE SAME TIME HARDLY FIND ANY COMPENSATION FOR THE SCARCITY OF ENERGY AND FOR THE HIGH PRICES AS IS THE CASE WITH THE DEVELOPED INDUSTRIAL STATE WHICH RESORT FOR THIS AND OTHER REASONS UNRELATED TO ENERGY TO RAISING THE PRICES OF THE GOOD EXPORTED BY THEM TO VERY HIGH LEVELS. HENCE IT IS OUR OPINION THAT THE ENTIRE FAMILY OF NATIONS SHOULD PARTICIPATE IN ANY REGULATION OF THE QUESTION OF THE IMPORTATION OF ENERGY AND ITS PRICES IN THE INTEREST OF THE WELFARE AND HAPPINESS OF ALL. 2. PETROLEUM IS NOT THE ONLY COMMODITY AFFECTING THE PROSPERITY AND STABILITY OF THE WORLD. THE ATOM, IRON, COPPER, WHEAT AND VITAL INDUSTRIAL PRODUCTS ARE, BY WAY OF EXAMPLE, IMPORTANT TO HUMAN LIFE. THEIR AVAILABILITY IN SUCH QUANTITIES, ON SUCH TERMS AND AT SUCH PRICES AS ARE SUITABLE FOR THOSE NEEDING THEM IS A MATTER OF EXCEEDING IMPORTANCE TO HUMAN LIFE. IT IS OUR BELIEF THAT ANY REGULATION OF THE MATTERS PERTAINING TO ANY ONE OF THOSE COMMODITIES CANNOT BE STABLE AND FAIR UNLESS IT ENCOMPASSES ALL OF THEM. THE WORLD IS IN GREAT NEED FOR THE REGULATION OF THE USE OF THE ATOM FOR PEACEFUL PURPOSES IN ORDER THAT SUCH USE MAY NOT BE THE SOLE MONOPOLY OF THE DEVELOPED STATES. IT IS ALSO IN GREAT NEED FOR THE REGULATION OF THE IMPORTATION AND PRICING OF IRON, WHEAT, COPPER

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AND VITAL INDUSTRIAL COMMODITIES. 3. WITH REGARD TO THE PRICE OF OIL, OUR GOVERNMENT HAS A CLEAR AND SPECIFIC VIEWPOINT WHICH WE HAVE ALREADY DECLARED ON MORE THAN ONE OCCASION. WE CRITICIZED THE PATTERN IN WHICH THE RISE IN OIL PRICES WAS MADE AND THE SHORT PERIOD WITHIN WHICH THIS WAS EFFECTED. BECAUSE WE BELIEVE THAT THERE ARE CERTAIN QUARTERS WHICH WANT TO EXPLOIT THIS QUESTION IN A MANNER WHICH IS INCONSISTENT, IN THE END, WITH THE INTERESTS OF PRODUCING

COUNTRIES AND IS DETRIMENTAL TO THEIR RELATIONS WITH THE
CONSUMER STATES. THIS WILL BENEFIT, IN THE END, THE
MONOPOLIST STATES AND QUARTERS WHICH ARE MORE ABLE TO
MANIPULATE ARBITRARILY THE ECONOMIC AFFAIRS OF THE WORLD
THROUGH THE GIGANTIC POSSIBILITIES THEY POSSESS. THESE
STATES AND QUARTERS HAVING WELL-KNOWN SPECIAL POLITICAL
OBJECTIVES. WE THINK THAT THE REAL VALUE OF OIL - A
COMMODITY WHICH IS ON ITS WAY TO EXHAUSTION - IS MUCH MORE
THAN ITS CURRENT PRICES. THIS BECOMES APPARENT FIRST THROUGH
MAKING A COMPARISON BETWEEN OIL PRICES AND THE COSTS OF
OTHER ENERGY ALTERNATIVES USED FOR THE SAME PURPOSES.
SECONDLY, THESE PRICES SHOULD BE ASSESSED IN TERMS OF THE
GREAT IMPORTANCE OF THIS COMMODITY IN THE FUTURE, CONSIDER-
ING THE FACT THAT OIL IS NOT SO MUCH AN ORDINARY FUEL FOR
INDUSTRY AS IT IS A RAW MATERIAL FOR THE PRODUCTION OF
CHEMICALS AND PETROCHEMICALS - COMMODITIES WHOSE IMPORTANCE
TO THE WORLD ECONOMY WILL DOUBLE AMIDST THEIR INCREASING
PAUCITY. IT SHOULD BE MENTIONED HERE THAT THE CURRENT
LEVELS OF OIL PRICES CANNOT BE CONSIDERED TOO HIGH WHEN
COMPARED WITH THE CONTIN
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